

Re Noronha

IN THE MATTER OF:

**The Rules of the Investment Industry Regulatory
Organization of Canada**

and

Jayanth Noronha

2017 IIROC 03

Investment Industry Regulatory Organization of Canada
Hearing Panel (Ontario District)

Heard: November 28-29, 2016

Decision: January 23, 2017

Hearing Panel:

Thomas G. Heintzman, Chair, Donald Lawson and Richard E. Austin

Appearances:

Elissa Sinha, Senior Enforcement Counsel for IIROC

Andrew Werbowski, Senior Enforcement Counsel for IIROC

REASONS FOR DECISION

Introduction

¶ 1 This proceeding was commenced by a Notice of Hearing dated February 8, 2016. Counsel for IIROC Staff and counsel for the respondent Jayanth Noronha (Mr. Noronha) attended at the return and first hearing of the Notice of Hearing on February 22, 2016. Counsel for IIROC Staff, counsel for Mr. Noronha and Mr. Noronha attended at the pre-hearing telephone conference on September 9, 2016. At the latter conference, Mr. Noronha's counsel advised that he was retiring as counsel for Mr. Noronha, and Mr. Noronha advised that he would not attend the hearing of this application to be held on November 28-29, 2016. When he did not appear at the hearing on those days, the panel proceeded to hear the evidence regarding liability and reserved its decision. These are its Reasons for Decision.

Procedural History

¶ 2 Counsel for Mr. Noronha accepted service of the Notice of Hearing. At the February 22, 2016 hearing, counsel for IIROC Staff and counsel for Mr. Noronha discussed with the panel and agreed upon the timing and nature of the procedures that should apply to this discipline hearing. As a result, on May 17, 2016, the IIROC National Hearing Coordinator sent to both parties an email confirming those procedures, as follows:

- i. Any motions in this matter will be brought before June 30, 2016;
- ii. Disclosure will be completed and provided to the respondent by May 31, 2016;
- iii. A further pre-hearing conference will be held September 9, 2016 at 10am; and
- iv. All parties will hold the weeks of November 28-December 23, 2016 for the hearing on the merits (to the extent that time should be necessary).

¶ 3 By letter to counsel for IIROC Staff dated August 3, 2016, Mr. Noronha's counsel advised that, while Mr. Noronha disputed all of the allegations made by IIROC Staff, he did not have the resources to defend himself in a lengthy regulatory hearing, and that accordingly, counsel would be getting off the record for Mr. Noronha. Mr. Noronha's counsel suggested that the September 9, 2016 hearing proceed by way of a conference call, rather than an in-person hearing.

¶ 4 The hearing on September 9, 2016 proceeded by way of telephone conference. Counsel for the IIROC Staff, Mr. Noronha and Mr. Noronha's counsel attended the conference. Counsel for Mr. Noronha asked for leave to withdraw as counsel for Mr. Noronha, which leave was granted and then left the telephone conference. Mr. Noronha remained on the call throughout. He advised the panel that he would not be attending the final liability hearing of this proceeding. Mr. Noronha also indicated that it was his present intention not to attend the penalty portion of the hearing, if any, but requested that the materials regarding such a hearing be sent to him before that hearing in the event that he decided to attend.

¶ 5 Counsel for IIROC Staff submitted that the hearing on liability be dealt with in a first hearing and that if liability was found, that any sanctions to be imposed should be dealt with in a second hearing. Counsel for IIROC Staff advised that before the liability hearing, she would serve Mr. Noronha with the materials that counsel for IIROC Staff would be relying on for that hearing, would then serve Mr. Noronha with the panel's substantive decision, and if a penalty hearing is to be held, would serve him with the materials that would be relied upon by IIROC Staff at that hearing. Mr. Noronha advised that he had no objection to so proceeding. The panel indicated that they agreed with this approach.

¶ 6 Counsel for IIROC Staff requested Mr. Noronha's address for personal service for the delivery of these materials. Mr. Noronha advised that he preferred service by email alone, and that the email address which IIROC has for him is reliable.

¶ 7 After submissions from counsel for IIROC Staff, the panel then set November 28 and 29, 2016 as the dates for the liability hearing.

¶ 8 As a result of the September 9, 2016 hearing, the panel issued an order as follows:

THIS HEARING PANEL ORDERS THAT:

1. Bruce O'Toole of Crawley MacKewn Brush LLP is hereby permitted to withdraw as counsel for the Respondent.
2. The trial of this matter as to liability will proceed on November 28 and 29, 2016, with any hearing as to sanction to be held subsequently on reasonable notice to the Respondent.
3. Counsel for Staff of IIROC will serve and file the written documents and evidence on which it intends to rely at trial by November 21, 2016.
4. Service on the Respondent of all documents in this proceeding shall be valid if made by encrypted electronic mail delivery to *jn@xxxx.com*, and such service shall be effective on the day that the electronic mail is sent.

¶ 9 On November 28, 2016, counsel for IIROC Staff appeared on the hearing, but Mr. Noronha did not attend. Counsel for IIROC Staff filed proof that an email had been sent to Mr. Noronha on November 28, 2016 advising that the hearing was proceeding at IIROC's offices.

Failure of Mr. Noronha to file a Response and appear at the hearing

¶ 10 At the opening of the hearing, counsel for IIROC Staff submitted that, by reason of Mr. Noronha's failure to file a Response in accordance with Rule 7.1 and pursuant to Rule 7.2 of the IIROC Rules of Practice and Procedure (the Rules), the panel should exercise its discretion to accept as proven the facts stated in the Notice of Hearing.

¶ 11 Counsel for IIROC Staff also submitted that, by reason of Mr. Noronha's failure to attend the hearing

and pursuant to Rule 13.5, the panel should exercise its discretion to accept as proven the facts and violations stated in the Notice of Hearing.

¶ 12 The panel decided that it would reserve its decision on whether to exercise its discretion, on either account, to accept the facts stated in the Notice of Hearing until after it heard the evidence of Mr. Bob Natanson, the affiant of the affidavit relied upon by counsel for IIROC Staff. Accordingly, Mr. Natanson gave oral testimony about the facts set forth in his affidavit.

¶ 13 Having heard Mr. Natanson's evidence, we are satisfied that we should exercise our discretion to accept the facts set forth in the Notice of Hearing, both due to Mr. Noronha's failure to file a response, and due to his failure to attend the hearing. We do so for several reasons.

¶ 14 First, having heard Mr. Natanson's testimony, we are satisfied that his affidavit is correct and reliable. While Mr. Natanson may not have touched on every fact stated in his affidavit, his testimony covered the most important parts of his affidavit. In these circumstances, in our view it is appropriate to receive his full affidavit in evidence.

¶ 15 Second, Rules 7.2 and 13.5 were inserted into the Rules for a purpose. Disciplinary proceedings are serious and expensive undertakings for the regulatory authority and the regulated person. In fairness to other regulated persons and the public, they should be conducted as fairly and expeditiously as reasonably possible. The Rules were drafted with these purposes in mind. A respondent regulated by IIROC should know that, when a disciplinary proceeding is commenced against him or her, it is their obligation to respond to those proceedings, and attend at the hearing, if they have an objection or defence to the allegations made against them. Participation in a regulated profession demands no less. In the absence of such a Response or attendance, the Panel is entitled to proceed on the basis that the facts stated in the Notice of Hearing are true. No reason why the panel should proceed otherwise is apparent to this panel, and having heard the testimony of Mr. Natanson there is every reason, in our view, to so proceed.

¶ 16 We also note that Mr. Noronha's counsel, in his August 3, 2016 letter, stated that Mr. Noronha denies the allegations in the Notice of Hearing. This statement is not a sufficient, or indeed any, response to the Notice of Hearing that would satisfy Rule 7. Rule 7.3 provides that "a Response shall state the facts alleged in the Notice of Hearing that the Respondent admits; state the facts alleged in the Notice of Hearing that the Respondent denies, and the grounds for denial; and all other facts relied upon by the Respondent". The purposes of Rules 7.1 and 7.3 are obviously to conduct the hearing fairly to both sides, obtain admissions that will aid in the efficiency of the proceeding and narrow the issues and facts to those really in dispute. The letter from Mr. Noronha's counsel satisfies none of the requirements or purposes of Rules 7.1 to 7.3.

¶ 17 Accordingly, since Mr. Noronha did not file a Response and did not attend at the hearing, subject to some corrections brought to our attention by IIROC Staff counsel, we accept the facts as stated in the Notice of Hearing as proven in this hearing.

¶ 18 While it may appear to have been somewhat duplicative to hear the oral testimony of Mr. Natanson and rely upon his affidavit, and also accept the facts stated in the Notice of Hearing, in our view it was appropriate to proceed in this fashion to be sure that the facts were carefully scrutinized in the absence of the Respondent.

Mr. Noronha and his wife and their involvement in the securities industry

¶ 19 Mr. Noronha was a registrant with IIROC from 2000-2013. From September 2009 to September 2011, he was registered as a Portfolio Manager with Dundee Securities (Dundee), and from September 2011 to November 28, 2013 he was registered with Raymond James Ltd. (RJ) as a Portfolio Manager. Since about 2009, Mr. Noronha has operated his securities business as Noronha Private Wealth (NPW). As of November 2013, NPW had about 125 clients and approximately \$55-65 million in assets under management. About ninety percent of Mr. Noronha's accounts were managed accounts.

¶ 20 In 2002, Mr. Noronha was disciplined by the Investment Dealers Association of Canada for professional misconduct. He admitted soliciting clients to invest in two private placements that had not been approved by his

sponsor firm and falsely relied on the minimum amount exemption to the prospectus requirement to effect those investments. He was fined \$25,000 and required to take the Conduct and Practices Handbook course.

¶ 21 Noronha's spouse, VI, was trained as a teacher and, prior to June 2011, she taught high school mathematics full-time. VI has never been registered with IROC and has no experience or training in business, securities, finance, or marketing.

¶ 22 In the Notice of Hearing, the following facts were alleged against Mr. Noronha:

OUTSIDE COMPENSATION AND OFF-BOOK INVESTMENTS AND LOANS

8. During the Relevant Period, Noronha entered into, and arranged for VI to enter into, agreements with both Mint [The Mint Corporation] and VVX [Voodoo Vox Inc.]. These agreements provided for Noronha and VI to receive compensation in exchange for investments in Mint and VVX by Noronha's clients and by other individuals that he introduced to them. Not only did Noronha fail to disclose these agreements and this compensation to his Dealer Member firms, he also specifically denied being engaged in outside business activities on Annual Disclosure forms that he submitted to RJ in 2011 and 2012.
9. During the Relevant Period, Noronha used his discretionary authority to purchase securities for his clients in four private placements of shares of Mint and five private placements of shares of VVX. The private placements are summarized in the attached Schedule "A". During this same period, Noronha recommended off-book investments in shares of Mint and of VVX to some of his clients and facilitated these investments. Noronha also recommended that several of his clients loan funds to Mint.
10. During the Relevant Period, while the Mint and VVX private placements were ongoing, Noronha, directly and indirectly through VI received extensive compensation from both Mint and VVX, which is summarized in the attached Schedule "B". Noronha did not disclose all of this compensation, nor the underlying agreements and contractual arrangements that gave rise to it to his employers or to his clients.
11. The agreements and arrangements described below were shams conceived and constructed by Noronha to facilitate him obtaining compensation for his efforts in raising funds for Mint and for VVX. These agreements and arrangements would not have been permitted by his employers because they created conflicts of interest contrary to the IROC Dealer Member Rules. The compensation that Mint and VVX provided to VI was shared with Noronha and he benefitted from it.

Noronha's Dealings with Mint

First Mint Private Placement

12. On January 21, 2011, Noronha requested and obtained Dundee's approval for his clients to participate in the first Mint private placement in the amount of \$825,000. The request was approved by Louis Cavalaris ("Cavalaris"), then the Vice President and Head of Institutional Client Compliance with Dundee.
13. In exchange for Noronha causing his clients to participate in the Mint private placement using his discretionary authority, Mint offered Noronha a finder's fee in the form of broker warrants. This was the only compensation relating to these transactions that was disclosed to Dundee. The broker warrants were to be deposited with Dundee as it was entitled to retain 50% of the net proceeds received from their exercise. However, Noronha directed Mint to issue the debentures in the name of VI and to deliver them to their residence. On January 25, 2011, a \$57,750 debenture and 115,000 shares in Mint valued at \$0.10 each were issued to VI.

The Service Agreement

14. On February 3, 2011, Chris Hogg (“Hogg”), the former President & CEO of Mint confirmed by email to Noronha the terms of a compensation agreement whereby Mint would issue 1 million warrants to NPW or its nominee “in consideration for consulting advice, Investor relations activity and general corporate advice for the 12 months commencing February 1, 2011”.
15. Within hours of receiving the email from Hogg, and without making any disclosure to Dundee or to his clients, Noronha directed one of his employees to organize a promotional event for Mint. Following the event, Noronha contacted many of the attendees to explore whether they were interested in further involvement with Mint and actively promoted Mint to industry participants.
16. On February 19, 2011, Noronha and Hogg exchanged email messages about a potential consulting agreement. Noronha requested specific compensation in the form of Mint warrants, a debenture “in respect of 3% of the total amount raised” excluding anything from Mint’s network, and monthly payments of \$10,000 for several months. In his email Noronha indicated that all remittances under this potential agreement should be made “in the name of” VI. Hogg agreed to most of Noronha’s terms and indicated that he would provide a formal agreement by February 21, 2011.
17. After Noronha was interviewed by IIROC Enforcement Staff, and nearly 6 months after he had allegedly produced all relevant business records to Enforcement Staff, Noronha produced a document that purports to be an email message from him to Cavalaris dated February 21, 2011. In this message, Noronha requests Cavalaris’ approval to engage in consulting work with Mint and Cavalaris refuses the request. However, neither Cavalaris nor Dundee had any record of these email messages.
18. The proposed consulting agreement between Mint and Noronha was never finalized. However, on or about February 24, 2011, VI and Hogg entered into a Service Representation Appointment and Agreement (the “Service Agreement”) pursuant to which VI would provide consulting services to Mint in exchange for essentially the same compensation Noronha had requested in his email message to Hogg of February 19, 2011.
19. VI was working full-time as a teacher when she entered into the Service Agreement and admitted that she had no training or experience relevant to the services that she was contracted to provide. Noronha admitted that the Service Agreement was entered into by VI partially because Dundee would not permit him to consult directly for Mint.
20. Pursuant to the Service Agreement, between February and June 2011, Mint paid VI \$29,950 in the form of two cheques in the amount of \$10,000 and one cheque in the amount of \$9,950. The final payment of \$9,950 was deposited directly to a joint bank account shared by Noronha and VI.

Subsequent Mint Private Placements and Undisclosed Compensation

21. On April 11, 2011, Noronha requested and obtained Dundee’s approval for his clients to participate in the second Mint private placement in the amount of \$3.5 million. In exchange for Noronha causing his clients to participate in the Mint Private Placement using his discretionary trading authority, Mint offered Noronha a finder’s fee in the form of broker warrants. This was the only compensation relating to these transactions that was disclosed to Dundee. The broker warrants were to be deposited with Dundee as it was entitled to retain 50% of the net proceeds received from their exercise.
22. However, Noronha directed Mint to issue the securities to VI and courier them to the residence that he and VI shared. On May 10, 2011, Mint issued 177,300 shares to VI valued at approximately \$0.10 each for a total value of approximately \$17,730.
23. After joining RJ, Noronha directed his discretionary client accounts to participate in third and

fourth private placements with Mint. The third private placement closed on November 30, 2012 and on January 3, 2013, Mint paid VI \$62,150 by wire transfer.

24. The fourth and final Mint private placement closed April 18, 2013. On that day, Mint issued 260,000 shares to VI valued at \$0.06 each and paid her \$75,000. On April 22, 2013, Mint paid VI an additional \$218,800.

Mint Off-Book Investments and Loans

25. In addition to using his discretionary authority to cause his clients to participate in the Mint private placements, Noronha recommended to some of his clients that they invest in shares of Mint off the books and records of Dundee and RJ and facilitated those investments. In particular:
 - (a) in 2011, Noronha's clients and employees appear to have collectively invested approximately \$1,410,000 in Mint debentures outside the books and records of his Dealer Member firms;
 - (b) by way of loans extended in or around March and August, 2012 and April 2013, Noronha's clients and employees loaned principals of Mint approximately \$2,165,000; and
 - (c) in or about March 2013, clients of Noronha loaned Mint approximately \$750,000.
26. During the period where the off-book investments in Mint and loans to Mint and its principals were made by Noronha's client and employees, Noronha, directly and through VI, received the compensation from Mint that is identified in Schedule "B". This compensation included, without limitation, significant payments to VI in August 2012, September 2012, March 2013, and April 2013 shortly after the loans were extended.
27. Mint's financial records identified "Fees for Jay Noronha" in the amount of \$111,150 incurred beginning in May 2011. The notations in Mint's records associated with these fees correlate to the percentages set out in the Service Agreement and some of them appear to relate to off-book investments in Mint made by Noronha's clients.
28. In October 2012, a group of approximately 10 investors and potential investors in Mint travelled with Noronha and VI to Mint's main offices in Dubai, UAE (the "Dubai Trip"). Noronha organized and promoted the Dubai Trip. By cheque dated December 5, 2012, Mint paid Noronha \$108,000 in connection with the Dubai Trip.
29. Noronha did not disclose the compensation paid by Mint to him, directly or indirectly through his spouse to Dundee, RJ or to his clients. By introducing investors to Mint and by accepting and arranging for his spouse to receive compensation from Mint, Noronha engaged in outside business activities and placed himself in a conflict of interest, which he neither disclosed nor addressed. Noronha's conduct in these respects was contrary to rules 18.15 and 42 of the IIROC Dealer Member Rules.

Noronha's Dealings with VVX

Initial Dealings and Off-Book Investments in VVX

30. On March 1, 2012, four of Noronha's clients purchased units of VVX worth a total of \$250,000. These transactions were not conducted or recorded on the books and records of RJ and were not disclosed to it.
31. On or about June 1, 2012, Noronha entered into a Commission Agreement with VVX pursuant to which VVX agreed to pay Noronha a commission of 2.3 million common shares "in exchange for the introduction of the investors to the Corporation". This was in connection with a

\$1,000,000 financing consisting of 1000 units of VVX.

32. On June 28, 2012, eight of Noronha's clients and employees collectively purchased 750 VVX units for a total investment of \$750,000, again off the books of RJ. The total amount invested in VVX by Noronha's clients as a result of the March 1 and June 28, 2012 financings was \$1,000,000. This amount triggered VVX's obligation to issue 2.3 million common shares to Noronha pursuant to the Commission Agreement.
33. On July 6, 2012, VVX issued 2.3 million common shares to VI valued at approximately \$0.02 per share for a total value of \$46,000. Noronha did not disclose his dealings with VVX, the Commission Agreement, or the compensation that he (indirectly through his spouse) received to RJ or to his clients.

Undisclosed Compensation for Approved VVX Private Placements

34. In late July 2012, after the Commission Agreement was executed and after VVX issued 2.3 million Common Shares to VI, Noronha sought RJ's approval to solicit his clients to participate in a VVX Private Placement in the amount of \$1,000,000. RJ denied its approval because the placement was not brokered. At Noronha's suggestion, VVX then arranged for the placement to be brokered and RJ approved it and added VVX to its syndication list.
35. Thereafter, Noronha, with RJ's knowledge and approval, directed his discretionary client accounts to participate in four additional private placements for VVX which closed between September 19, 2012 and September 4, 2013. However, Noronha did not disclose to RJ the compensation he and VI received from VVX.
36. On September 19, 2012, Noronha executed a second Commission Agreement (the "Second Commission Agreement") with VVX whereby VVX agreed to compensate Noronha for the introduction of investors to VVX who participated in various offerings.
37. The Second Commission Agreement was not disclosed to RJ. However, after he was interviewed by IIROC, and nearly 6 months after he had allegedly produced all relevant business records to its Enforcement Staff, Noronha produced a further document that purports to be an email from KN, then a Syndication Assistant with RJ, to Noronha, dated September 25, 2012 referring to the receipt of "commission debentures/shares". However, neither KN nor RJ had any record of this email message.
38. On October 1, 2012, 5 million VVX Common Shares valued at approximately \$0.02 each for a total of \$100,000 were issued to VI. Neither this compensation nor the Second Commission Agreement was disclosed to RJ or to Noronha's clients.
39. At Noronha's request, VVX created a success-based Fee Agreement with VI dated November 1, 2012 pursuant to which VI was to provide "diligence services and investor referral services" in respect of a planned offering in exchange for a fee. VI had no experience with corporate due diligence and her relationships with potential investors were primarily through Noronha. The Fee Agreement was not finalized.
40. On November 13, 2012, the TSX announced that it would delist VVX as of December 12, 2012.
41. On or about December 1, 2012, VVX created a Consulting Agreement pursuant to which VI was to provide it with "Consulting Services", being "general marketing, presentation and administrative services, including but not limited to market research, presentation support, investor relations support and general project support" in exchange for a fee of \$50,000 payable in two tranches of \$25,000 due December 7, 2012 and April 30, 2013.
42. On December 7, 2012, VVX wired a payment of \$25,000 to a joint bank account shared by Noronha and VI. The wire transfer prepared by VVX designated Noronha as the beneficiary of

the funds. Noronha did not disclose the Consulting Agreement or the payment made by VVX to RJ or to his clients. VI admitted that she did “hardly anything” for VVX. On January 10, 2013, the Consulting Agreement was cancelled and the second payment of \$25,000 was not made.

43. Noronha did not disclose to RJ or to his clients the compensation paid by VVX to him, directly or indirectly through his spouse. By introducing investors to VVX and by accepting and arranging for his spouse to receive compensation from VVX pursuant to the First and Second Commission Agreements, and the Consulting Agreement, Noronha engaged in outside business activities. He also placed himself in a conflict of interest, which he neither disclosed nor addressed. Noronha’s conduct in these respects was contrary to rules 18.15 and 42 of the IIROC Dealer Member Rules.

Noronha Benefitted from Payments Made to His Spouse

44. During the Relevant Period, when Mint and VVX made payments to VI, VI and Noronha were married to each other, resided together and their finances were co-mingled. In several instances, cheques and electronic transfers ostensibly intended for VI were deposited directly into a joint bank account shared by VI and Noronha. Further, funds paid to VI by Mint were promptly transferred (less service fees) to a joint banking account for which Noronha had authority and were used to defray common expenses. Noronha received indirectly the payments provided to VI by Mint and VVX and benefitted from them.

NORONHA DELETES EMAIL RECORDS

45. Prior to the Thanksgiving long weekend of October 12-14, 2013, RJ advised Noronha that on the afternoon of Tuesday October 15, 2013 an RJ IT technician would attend at the Branch to review and image data from his computer servers.
46. On or about Friday, October 11, 2013, Noronha contacted JK, a senior Information Technology Specialist with the company that installed and maintained the Branch’s computer equipment. Noronha told JK that he wanted to remove personal information from the Branch server. He asked JK to attend at the Branch over the weekend to assist him but JK declined. Noronha then asked JK numerous questions about how the computer servers at the Branch were configured and how the back-ups were set up.
47. On October 15, 2013, JK attended at the Branch. His work records indicate that he was directed to “review Outlook files and purge any remaining items”. In fact, JK observed that Noronha appeared to have deleted email messages from both his RJ and NPW email accounts, in addition to email messages from his personal email account. Noronha had also taken steps to ensure that these email records were permanently deleted and unavailable to RJ.
48. Further, Noronha directed JK to disable a built-in server backup drive (the “Backup”) before the RJ technicians arrived. The Backup preserved up the full contents of the Branch server, including email records, on a nightly basis. Accordingly, it would contain copies of the email messages that Noronha had deleted. After JK disabled the Backup, Noronha unplugged it and stored it in his bag, such that it was not visible or available to RJ. On October 17, 2016, JK remotely reinstalled the Backup at Noronha’s instruction.
49. By taking steps to tamper with and delete email records such that they were not available for review by RJ, Noronha acted in a manner unbecoming a registrant, contrary to IIROC Dealer Member Rule 29.1.

Schedules “A” and “B” referred to in paragraphs 9 and 10 of the Notice of Hearing are attached to these Reasons for Decision as Schedules “A” and “B”.

¶ 23 Counsel for IIROC Staff advised that the Notice of Hearing should be corrected as follows: paragraph 21 should refer to a second Mint private placement in the amount of \$500,000 (not \$3.5 million), and the words

“as it was entitled to retain 50% of the net proceeds received from their exercise” should be deleted; paragraph 25(b) should be amended to read \$2,950,000 at the end; paragraph 25(c) and 37 should be removed; and the words “both his RJ and” should be deleted from paragraph 47. These amendments do not materially change the facts and allegations contained in the Notice of Hearing.

¶ 24 Since Mr. Noronha did not deliver a Response to the Notice of Hearing nor appeared at the hearing, we have accept the facts and violations stated in the Notice of Hearing, as amended, as proven. They are also proven by the affidavit of Mr. Natanson, and by his oral testimony. After hearing Mr. Natanson’s oral testimony, we admitted his affidavit into evidence.

Affidavit of Mr. Bob Natanson

¶ 25 The affidavit of Mr. Natanson and the exhibits attached to that affidavit re-affirm the facts set forth in the Notice of Hearing. In particular, Mr. Natanson set forth the following evidence in his affidavit:

- a. He identified the transaction whereby Mr. Noronha subscribed his discretionary clients to four Mint private placements in the total amount of \$7.1 million, and a further \$4.4 million in Mint and Glocap, a company owned by Mint’s executives, for a total of over \$11.4 million.
- b. He attached the various agreements into which Mr. Noronha entered, and arranged for VI to enter into, with both Mint and VVX, under which Mr. Noronha and VI received compensation in relation to investments in Mint and VVX by Mr. Noronha’s clients and by other individuals whom he introduced to them. The compensation received by Mr. Noronha and his wife was not disclosed to the clients nor to the Dealer Member firms by which he was employed. Indeed, Mr. Noronha actively misled his employer by stating, for instance, that “there is no cash component to the compensation” or by failing to disclose, and denying, these arrangements in Annual Disclosure. The receipt of compensation by Mr. Noronha was contrary to Dundee’s express policy against receipt of such monies or other Outside Business Activities and contrary to the implicit policy of RJ.
- c. The documentation shows that Mr. Noronha was the person providing advice to his clients or facilitating investments on their behalf, and that he was the person who was instrumental in obtaining the compensation from Mint and VVX. Thus, Mr. Noronha entered into direct dealings with Mint to organize events to introduce his clients to Mint and to receive compensation from Mint, all at the very time that he was subscribing for investments in Mint on behalf of his clients. The first Mint Service Representation Agreements that his wife, VI, entered into with Mint followed arrangements which Mr. Noronha had put in place for himself, in the exact same amount as previously arranged by him with Mint. On other occasions, Mr. Noronha was involved with Mint and was considered to be its primary contact with respect to the investments being made by his clients, and Mr. Noronha directed Mint to contact him at his Gmail internet address, not though his employer.
- d. The evidence in Mr. Natanson’s affidavit, and in the documents attached as exhibits to the affidavit, show how Mr. Noronha arranged for his clients to make “off-book” investments in Mint and Glocap, that is, investments not on the books of his employer RJ, and therefore not subject to the scrutiny of his employer. Indeed, Mr. Noronha kept a list of the off-book investments made by his clients. Those off-book investments included debentures issued by Mint and loans to Glocap.
- e. At the same time that his clients were investing in off-books transaction, during November 2012 to April 2013, Mr. Noronha subscribed those investors in the private placement of shares of Mint.
- f. Mr. Noronha organized a trip for his clients to Dubai, with the permission of his employer, RJ. The clients paid for their trips. Yet, unknown to RJ, Mr. Noronha received \$108,000 from Mint for “reimbursement for travel and accommodation expenses for investor group” for this trip.

- g. Between the spring of 2012 and September 2013, Mr. Noronha arranged for his clients and employees to invest in VVX, and to do so off the books of RJ. In total, \$4.2 million was raised by VVX from Mr. Noronha's clients. During that period, VVX paid Mr. Noronha \$25,000 and issued \$185,000 in debentures, 555,000 warrants and 7.3 million in shares. The compensation was provided for in two commission agreements with Mr. Noronha and one with his wife, VI. Mr. Noronha did not disclose these arrangements to his employer, RJ. Mr. Noronha arranged for the securities to be issued to his wife at their home address. His wife acknowledged that there was "very little performance" by her in relation to this investments.
- h. The evidence of his clients is that Mr. Noronha gave them advice about these investments in VVX. Also, the other evidence establishes that Mr. Noronha was involved in these investments by delivering cheques and by maintaining a running list of investments that included these off-book investments.
- i. Almost all of the compensation received by VI was paid, directly or indirectly into the joint account of Mr. Noronha and his wife, or to VI's account at RJ. Exhibits 110-114 of Mr. Natanson's affidavit show how over \$424,000 of payments were made by Mint into VI's bank account and were transferred within two days to the joint account of Mr. Noronha and VI; or in one case of a \$40,000 payment from Mint, transferred \$39,908.20 to VI's account with RJ and used to purchase 400,000 units in Mint.

Oral testimony of Mr. Bob Natanson

¶ 26 Mr. Natanson also gave oral testimony of these matters, and that testimony confirmed the evidence in his affidavit and in the Notice of Hearing.

Evidence of J.K. re removal of emails

¶ 27 J.K. gave evidence about the instruction he received from Mr. Noronha, and the activities he conducted in September and October, 2013 in relation to the removal of NPW's and Mr. Noronha's emails and email accounts. He now works for the Town of N, but in 2012 and 2013, he worked for M Co. as an IT manager. M Co. was in the IT consulting business, and managed and serviced computer work stations and systems. NPW was one of M Co.'s clients.

¶ 28 From J.K.'s observations from attending at NPW's office, NPW had about 8-19 employees, and about 10 work stations, with one computer for Mr. Noronha and one for his wife. The work stations were networked to a NPW central or main server. Mr. Noronha had three internet addresses: the RJ address, the Noronha Private Wealth (NWP) address, and Mr. Noronha's Gmail address.

¶ 29 The central or main server had an e-mail server program running, and all the e-mails that were sent to Noronha Private Wealth's e-mail addresses were stored on that server. J.K. testified that Mr. Noronha used the Noronha Private Wealth internet address for business purposes, and J.K. contacted Mr. Noronha through that address. From his familiarity with the computer and internet arrangements at NPW, J.K. said that the Noronha Private Wealth address was set up as the primary internet address on Mr. Noronha's computer screen and was the first one that came up when he opened his computer.

¶ 30 The RJ emails were stored on RJ's server, which was not at the NWP office, and J.K. had nothing to do with that internet account. The RJ internet account showed up as an icon on the computer screens in the NPW office, and if Mr. Noronha wanted to send or open emails on that account, then he would click on that icon. Those using the NPW internet server had access through it to the information and applications, such as market, trading and email information and applications, on the RJ system, but the users of the RJ server could not, through that server, access the NPW system.

¶ 31 The Gmail account on Mr. Noronha's computer screen also appeared as an icon which could be clicked to open that account. Emails on the Gmail account were stored on Mr. Noronha's laptop computer and with Google on its server somewhere in the U.S.A., not on the main NPW server. J.K. had no involvement with

Google's server. The NPW employees could access both the RJ and NPW server, but the RJ server could not access the NPW server. The NPW emails were automatically backed up nightly on a portable server connected to the NPW main server in the NPW office, so that NPW backup server contained copies of all the NPW emails (subject to over-riding and deletion), but would not contain the RJ or Gmail emails. The NPW backup server would add new emails sent since its last back-up until it reached its capacity and would then over-ride and delete the oldest emails once it reached its capacity. The over-ride would occur within 30 days or whatever the system or capacity was set at, so that emails sent or received within a few days of examining the system would still be in the backup server.

¶ 32 By reference to the M Co. time and billing database reports, J. K. testified that on September 26, 2016 he was called and emailed by Mr. Noronha and asked to assist in the disabling of the access to the NPW internet accounts for two individuals who worked in the NPW office, and to reset passwords for Mr. Noronha and his wife, because these employees were trying to steal clients. He was asked to come to the NPW office and remove or disable work stations and the main server, but he did not attend at NPW's office that day.

¶ 33 On October 11, 2013, J.K. received a telephone call from Mr. Noronha. Mr. Noronha asked him questions about how the email system was set up in the NPW office. He said that RJ was coming into the office and he didn't want his personal data to be copied by RJ. He wanted to know how to remove the Gmail account.

¶ 34 Over the weekend of October 11-14, 2013, J.K. received various telephone calls from Mr. Noronha who said that RJ was coming into his office during the next week and he wanted assistance in removing personal information from his Gmail account which he did not want RJ to see. J.K. provided advice as to how to locate various files in the Gmail account.

¶ 35 On October 15, 2013, J.K. was asked by Mr. Noronha to come to the NPW office and shadow RJ as it did its work. J.K. came to the NPW office and met with Mr. Noronha and verified that Mr. Noronha had deleted any trace of his Gmail account from his computer, including the recycle bin. Mr. Noronha had also deleted the emails in the recovery dumpster of the NWP email account, but had left some emails in the NPW email account. RJ was not present during this discussion.

¶ 36 J.K. and Mr. Noronha then went into the room of VI, Mr. Noronha's wife, and performed the same exercise there, namely confirm that Mr. Noronha had removed all trace of the Gmail account and removed all her emails from the recovery dumpster of the NPW email recovery folder.

¶ 37 Mr. Noronha asked J.K. to turn off the back up drive, so that Mr. Noronha could disconnect it from the server and remove the backup drive from the server room. J.K. then saw Mr. Noronha remove the backup drive for the NPW server and put it in his bag. By removing the backup drive, Mr. Noronha eliminated the possibility of RJ obtaining copies of the Noronha Private Wealth private e-mails that had been deleted that weekend.

¶ 38 J.K. was aware that the RJ people were in the office, but he was never brought in and introduced to them, nor did he become involved in whatever they were doing. After the RJ people left, Mr. Noronha asked J.K. to confirm that RJ had taken something that they shouldn't have taken, but J.K. was unable to do so. To J.K., Mr. Noronha seemed anxious about RJ copying anything that it shouldn't.

¶ 39 After the RJ people left on October 15, 2013, Mr. Noronha's wife, VI, came into the office where J.K. was sitting and asked J.K. "how it went". He said that he hadn't been involved in whatever RJ had done so he could not comment.

¶ 40 On a later date, Mr. Noronha called J.K. to ask J.K. to help him, Mr. Noronha, re-install the NPW back-up server. Mr. Noronha brought the backup server into the NPW office and plugged it into the main NPW server.

¶ 41 In J.K.'s view, Mr. Noronha was "moderately techie" and could do most things on his own on computers. J.K. indicated that Mr. Noronha and his wife had access to the NPW office computer system from their home computer.

Analysis

¶ 42 **Count 1:**

Between January 2011 and September 2013 (the “Relevant Period”), Noronha engaged in business conduct or practice unbecoming or detrimental to the public interest when he recommended and facilitated investments for his clients in shares of Mint Technology, now called The Mint Corporation (“Mint”) and Voodoo Vox Inc., now called UpSnap, Inc. (“VVX”), which were conducted off the books and records and without the consent of his Dealer Member Firms, contrary to Dealer Member Rule 29.1.

¶ 43 This count addresses the allegation that Mr. Noronha conducted business off the books of the Dealer Member firms, Dundee and RJ, by whom he was employed. The evidence clearly establishes this count.

¶ 44 The facts in paragraph 25 of the Notice of Hearing, and in Mr. Natanson’s affidavit, particularly referred to in paragraphs (d)-(h) above, and in Mr. Natanson’s oral testimony, establish that Mr. Noronha facilitated and recommended to his clients that they invest in shares of Mint, and that those investments were made off the books and records of Dundee and RJ, and in particular approximately \$1,410,000 in Mint debentures in 2011; approximately \$2,165,000 loaned to principals of Mint in or around March and August, 2012 and April 2013,; and approximately \$750,000 in loans to Mint in or about March 2013.

¶ 45 Paragraphs 30 and 32 of the Notice of Hearing, and the evidence in Mr. Natanson’s affidavit referred to in paragraph (g) above, and Mr. Natanson’s oral testimony, establish that: in March 1, 2012, four of Noronha’s clients purchased units of VVX worth \$250,000 and that those transactions were conducted or recorded off the books and records of RJ; and that in June, 2012, eight of Noronha’s clients and employees purchased 750 VVX units for a total investment of \$750,000, and that that transaction was conducted off the books of RJ.

¶ 46 The fact that these transactions were conducted off the books, and therefore outside the scrutiny of his employers, appears to have been the very purpose and intent of Mr. Noronha. The evidence leads to the conclusion that Mr. Noronha knew that his employers would not agree to these investments or his receipt of commissions or other payments in relation to them. In order to receive these commissions and other payments, and to justify the being conducted outside the scrutiny of his employers, he conceived of the idea of pretending that he had no involvement in these transactions and to have the commissions or payments diverted to his wife. In this regard, the off-book nature of these transaction –which are the subject of Count 1 – and the receipt of commissions or other payments in respect of these transactions – the subject of Count 2 – are part of the same overall scheme or arrangement put in place by Mr. Noronha.

¶ 47 When the evidence is examined in its totality, we have no doubt that Mr. Noronha was the moving force in all these investments. He was the person with the professional expertise and the relationship with the clients and to whom they would look to for investment advice. He was the prime contact with Mint and VVX. He provided information about Mint and VVX to his clients, and recommended investments by his clients in Mint and VVX, and went with them to Dubai to meet Mint personnel. He maintained a list of his clients’ off-book investments. He was the person with whom Mint and VVX first entered into commission agreements. The commission and other payments were made coincidental with the making of these investments. And the commissions and other payments ended up in the bank account of which he and his wife were the joint holders. The proposition that his wife, who was a teacher and who had no apparent business or investment experience and provided little or no real advice, was providing real services to Mint or VVX, carries no reality or credibility. In our view, the Notice of Hearing correctly states that these arrangements were shams conceived and constructed by Noronha to facilitate him obtaining compensation for the transactions organized or arranged by him. We conclude that Mr. Noronha was the person who facilitated and conducted himself as the investment advisor with respect to all these investments.

¶ 48 In arriving at this conclusion, we have had regard to the authorities relating to whether a particular transaction falls within or outside a registrant’s duties and responsibilities as a registrant under the applicable securities regulations. Those authorities recognize that recommending and facilitating investments brings the

registrant within the purview of securities regulations.¹ Each case must, of course, turn on its own facts. In the present case, and for the reasons stated in the preceding paragraph, the facts demonstrate that the off-book transactions dealt with in Count 1, and the other investment transactions referred to in these Reasons, arose as a result of Mr. Noronha's advice or were facilitated by him within his capacity as a registrant.

¶ 49 Mr. Noronha was not a stranger to the prohibition against off-book transactions. He had entered into a Settlement Agreement dated December 4, 2012 with the Staff of the Investment Dealers Association (Ontario District Council) in which he admitted conducting off-book transactions without the knowledge of his employer, pursuant to which a fine of \$40,000 (reduced on appeal to \$25,000) was imposed upon him and he was required to re-write an examination based upon the Conduct and Practices Handbook for Securities Industry Professionals.² That Handbook explains the prohibition against off-book transactions:

“Dealings in securities outside of normal business activities, sometimes referred to as “selling away” or “outside deals” may expose clients to unknown risks and expose registrants and dealer members to civil liability. Such activities done without the knowledge of the employer also prevents effective supervision of the handling of client accounts, which is a requirement of the SROs.”³

¶ 50 The conducting of off-book transactions by securities registrants has been repeatedly recognized by IIROC Hearing Panels as conduct or practice unbecoming or detrimental to the public interest, and thereby contrary to Dealer Member Rule 29.1. The reason why this is so is explained by a member of the IIROC Hearing Panel in *Re Trueman* as follows:

“Disclosure of outside business activities is one of the fundamental principles of the securities regulatory framework. It allows a firm on a Tier 1 basis [Tier 1 is at the business supervisor level at the firm] to look at all the activities that a sales person is undertaking and to make sure that they are in the client's best interests and that issues such as conflicts of interest and potential for client confusion are identified and addressed. It also allows that activity to be monitored at the Tier 2 level [an independent compliance review].

When a person undertakes activity outside the auspices of the firm, that fundamental protection provided for in securities regulation is unable to occur.

One should never forget the fundamental principle of outside business activity and disclosure. For the respondent and anybody else who might read these reasons in the future, it should be very clear that these are fundamental protections in the securities regulatory framework and we cannot tolerate people who do not adhere to them.”⁴

¶ 51 Accordingly, we find that Mr. Noronha engaged in business conduct or practice unbecoming or detrimental to the public interest by recommending and facilitating investments for his clients in shares of Mint and VVX which were conducted off the books and records and without the consent of his Dealer Member Firms, contrary to Dealer Member Rule 29.1.

¶ 52 In the result, Count 1 has been established.

¶ 53 **Count 2:**

During the Relevant Period, Noronha, directly and indirectly through his spouse, accepted remuneration and/or consideration from Mint and VVX, being persons other than his Dealer Member firms, in regards

¹ *Pariak-Lucik (Re)*, above, at para. 56-58, 62-63; *Kustom Design financial Services Inc. (Re)*, 2010 LNABASC 131 at para 219.

² *Noronha (Re)*, [2002] I.D.A.C.D. No. 52.

³ 2015 Handbook, p17-18; IIROC Authorities, Tab 15

⁴ *Trueman (Re)*, 2016 LNIROCC 29 at paras. 35-39; See also *Pariak-Lucik (Re)*, 2014 IIROCC 1 at paras. 83-93; *Hodge (Re)*, 2013 IIROCC 31, paras. 2 and 12; *Arapis (Re)*, [2011] IIROCC No. 37, paras. 2 and 21.

to securities-related activities, contrary to IIROC Dealer Member Rule 18.15.

¶ 54 Count 2 addresses the fact that Mr. Noronha received, directly or indirectly, payments from the Issuers in respect of the investment transactions in which he was involved as an investment advisor without the knowledge and consent of his clients who were making the investments and the Dealer Member firms by whom he was employed. On the evidence this count is established.

¶ 55 Paragraphs 8, 10, 11, 13-23, 26-29, 31-34, 36-39 and 41-44, and paragraphs b, c, f and g above establish the making of these payments, that Mr. Noronha was acting as an investment advisor to these clients in relation to these security-related activities and that Mr. Noronha's clients and employers were not aware of these payments. The dealings between Mr. Noronha and Mint and VVX, and the timing of these payments, demonstrate that these payments were made in relation to, and as compensation for, his role in facilitating the investments by his clients.

¶ 56 Mr. Noronha's clients and employer stated that they were not aware of these payments and he himself acknowledges that he did not tell his clients about them.⁵ Mr. Noronha appears to have inserted his wife into the picture as an alleged provider of services in order to justify these payments being made without informing his clients and employers about them. This insertion does not explain the receipt by him of direct compensation in some instances. In addition, and for the same reasons stated by us with respect to Count 1, we find no substance or credibility in this attempted insertion of his wife into these arrangements.

¶ 57 Perhaps one of the more egregious examples of Mr. Noronha's receipt of undisclosed payments in relation to his conduct as an investment advisor for his clients was his receipt from Mint of \$108,000 for the travelling expenses of his clients to travel with him and his wife to Dubai to meet with Mint, when the clients had themselves paid for their own travelling expenses.⁶

¶ 58 The prohibition against receiving remuneration from other than the Dealer Member firm by which the Investment Advisor is employed is absolute and mandatory, under IIROC Dealer Member Rule 18.15: "No representative may accept any remuneration for securities-related activities from any person other than his/her employer."⁷ That prohibition is fundamental to the ability of the Dealer Member to exercise oversight and supervision of Mr. Noronha, and to the entitlement of that Dealer Member to remuneration arising from the transactions in which Mr. Noronha was involved.⁸ The policies of the Dealer Members by whom he was employed reflect Dealer Member Rule 18.15 by either expressly or implicitly prohibiting investment advisors employed by them from receiving compensation directly from Issuers⁹.

¶ 59 Accordingly we find that Mr. Noronha received, directly or indirectly, remuneration from Mint and VVX in relation to transaction in which he was acting as an investment advisor, contrary to IIROC Dealer Member Rule 18.15.

¶ 60 We find that Count 2 has been established.

¶ 61 **Count 3:**

During the Relevant Period, Noronha failed to disclose to his Dealer Member firms and to his clients, and failed to address, a conflict of interest, contrary to IIROC Dealer Member Rule 42.

¶ 62 This Count addresses the same facts that have been dealt with under Counts 1 and 2, but from the aspect of conflict of interest. By secretly receiving, directly and indirectly, payments from Mint and VVX in relation

⁵ Notice of Hearing, para. 19.

⁶ Notice of Hearing, para. 28, and paragraph f above.

⁷ IIROC Dealer Member Rule 18.15; *Raby (re)*, 2013 IIROC 30 at paras. 18-19

⁸ *Dubois (Re)*, 2014 LNIIROC 18, at paras. 3.2, 21-24, 37-41.

⁹ Affidavit of Mr. Natanson, Exhibits 11 and 32.

to investments being made by his clients, Mr Noronha placed himself in a direct conflict of interest. His interest in receiving payments from Mint and VVX was in direct conflict with his duty and obligation to his clients to provide them with competent and independent advice. He could not do the latter when he was receiving secret compensation from the companies in which the clients were investing.

¶ 63 Once again, Mr. Noronha appears to have understood this conflict of interest and attempted to insert his wife into the arrangements to avoid the conflict. As already stated, that attempt bears no scrutiny and is, in reality, an admission by Mr. Noronha of the conflict. His suggestion that a so-called Chinese Wall between him and his wife was a solution to the conflict of interest was no solution at all. It was up to him to disclose the conflict to his employer and clients and let them be satisfied with the solution. Moreover, the so-called Chinese Wall did not exist as the evidence establishes that Mr. Noronha was directly involved with and negotiated with Mint and VVX in relation to the investments in question, that his wife had a computer at Mr. Noronha's office and worked at their home with a computer which had direct access to the office computers without any physical or other apparent barrier between his wife and Mr. Noronha's investment dealer business, and the relevant payments to his wife ended up in their joint bank account.

¶ 64 The obligations under Dealer Member Rule 42 required Mr. Noronha to consider, address and disclose any conflicts of interest. These obligations reflect the very high standard of conduct expected from investment advisors, and the seriousness of the conflict of interest rule, arising as it does from the fiduciary nature of the investment advisor's duties and responsibilities.¹⁰ We find that Mr. Noronha failed to disclose to his Dealer Member firms and to his clients, and failed to address, a conflict of interest, contrary to IIROC Dealer Member Rule 42, and that Count 3 has been established.

¶ 65 **Count 4:**

In October 2013, Noronha engaged in business conduct or practice unbecoming or detrimental to the public interest when he deleted email records, contrary to IIROC Dealer Member Rule 29.1.

¶ 66 The facts stated in paragraphs 45 to 49 of the Notice of Hearing, and in the evidence of J.K. establish this count. Between October 11 and 15, 2015, Mr. Noronha deleted the Gmail account from his computer, including the recycle bin, deleted the emails in the recovery dumpster of the NPW email account, deleted the emails from his wife's Gmail account and her emails from the recovery dumpster of the NPW email recovery folder. Mr. Noronha disconnected the backup server from the NPW server and put it in his bag. By removing the backup drive, Mr. Noronha eliminated the possibility of Raymond James obtaining copies of the e-mails that he had been deleted that weekend.

¶ 67 Mr. Noronha made these deletions and removals for the very purpose of stopping his employer RJ from knowing about the transaction which he had undertaken while acting as a Portfolio Manager for RJ. He deprived RJ of the opportunity to supervise his conduct as a Portfolio Manager. He effectively sought to deprive RJ of the opportunity to fulfil its duties and obligations under securities regulations.

¶ 68 In our view, this sort of conduct is a flagrant example of conduct or practice which is unbecoming or detrimental to the public interest.¹¹ The whole system of regulation of the securities industry depends upon the accurate recording of transactions and dealings with clients, and the preservation and availability of those records to the employer and to regulators. Only if those accurate records are maintained and are available can the public have confidence that Portfolio Managers and other registrants in the securities industry are being properly regulated. Mr. Noronha's removal of these records, and their removal for the very purpose of avoiding scrutiny by his employer, undermines the whole regulatory system and is conduct unbecoming and detrimental to the public interest, contrary to IIROC Dealer Member Rule 29.1.

¶ 69 We find that Count 4 has been established.

¹⁰ *Papp (Re)*, 2016 IIROC 41 at paras. 43-44; *Little (Re)*, (2007) I.C.A.A.C.D. No. 24 at paras. 41-44.

¹¹ *Papp (Re)*, 2016 IIROC 41 at paras. 43-44; *Little (Re)*, (2007) I.C.A.A.C.D. No. 24 at para. 42.

Conclusion

¶ 70 We find that Counts 1 to 4 of the Notice of Hearing have been proven and that Mr. Noronha is guilty on all such counts.

We now remit this matter to the IIROC National Hearing Coordinator to schedule a hearing to deal with the appropriate sanctions. If no agreement as to Sanctions has been reached by IIROC Staff and Mr. Noronha within one week of their receipt of this decision, then IIROC Staff shall deliver its submissions regarding sanctions within one week thereafter, and Mr. Noronha may deliver his response to IIROC Staff's submissions within one week thereafter. The National Hearing Coordinator will then schedule a Sanctions hearing. If these time limits are not convenient to the parties, either party may request that the IIROC National Hearing Coordinator schedule a telephone conference to consider any amendments to this timetable.

Dated at Toronto this 23rd day of January, 2017

Thomas G. Heintzman, Chair

Donald Lawson

Richard E. Austin

Schedule "A" – List of Approved Non-Brokered Private Placements

Closing Date	Issuer	Employer
January 20, 2011	Mint	Dundee
April 11, 2011	Mint	Dundee
August 13, 2012	VVX	RJ
September 19, 2012	VVX	RJ
November 30, 2012	Mint	RJ
November 30, 2012	VVX	RJ
January 30, 2013	VVX	RJ
April 18, 2013	Mint	RJ
September 4, 2013	VVX	RJ

Schedule "B" – Compensation Paid to Noronha and His Spouse by Mint and VVX

Date	Securities	Cash	Issued by	Issued to
Jan 25, 2011	115,500 shares valued at approx. \$0.09 each (total \$10,350)		Mint	VI
Feb 2011		\$10,000	Mint	VI
April 27, 2011		\$10,000	Mint	VI
May 2011		\$111,150	Mint	Noronha
May 10, 2011	177,300 shares valued at approx. \$0.10 each (total \$17,730)		Mint	VI
June 2, 2011		\$9,950	Mint	VI

Date	Securities	Cash	Issued by	Issued to
Aug 4, 2011	222,300 shares valued at approx. \$0.10 each (total \$22,230)		Mint	VI
June 1, 2012	2,300,000 shares valued at approx. \$0.02 each (total \$46,000)		VVX	VI
Sept 25, 2012		\$108,000	Mint	Noronha
Oct 1, 2012	5,000,000 shares valued at approx. \$0.02 each (total \$100,000)		VVX	VI
Oct 5, 2012		\$89,750	Mint	VI
Dec 5, 2012		\$108,000	Mint	Noronha
Dec 7, 2012		\$25,000	VVX	Noronha (for VI)
Jan 3, 2013		\$62,150	Mint	VI
Mar 12, 2013		\$40,000	Mint	VI
Apr 18, 2013		\$75,000	Mint	VI
Apr 18, 2013	260,000 shares valued at approx. \$0.06 each (total \$15,600)		Mint	VI
April 22, 2013		\$218,000	Mint	VI
Total Mint	Approx. \$65,910	\$842,000		
Total VVX	Approx. \$146,000	\$25,000		
TOTAL	Approx. \$211,910	\$867,000		

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